

Assembly Concurrent Resolution

No. 79

Introduced by Assembly Member Anderson

January 7, 2008

Assembly Concurrent Resolution No. 79—Relative to the investments of the University of California.

LEGISLATIVE COUNSEL'S DIGEST

ACR 79, as introduced, Anderson. University of California: divestment from Iran.

This measure would call upon the University of California to divest from foreign companies with business activities in the Islamic Republic of Iran.

Fiscal committee: yes.

1 WHEREAS, The Securities and Exchange Commission has
2 determined that business activities in foreign states, such as Iran,
3 that sponsor terrorism and that are subject to sanctions by the
4 United States, may materially harm the share value of foreign
5 companies. Shares in these foreign companies may be held in the
6 investment portfolios of the University of California; and

7 WHEREAS, Publicly traded companies in the United States are
8 substantially restricted in doing business in or with foreign states,
9 such as Iran, that the United States Department of State has
10 identified as sponsoring terrorism; and

11 WHEREAS, The University of California currently invests in
12 publicly traded foreign companies that may be at risk due to
13 business ties with foreign states, such as Iran, that sponsor terrorism

1 and are involved in the proliferation of weapons of mass
2 destruction; and

3 WHEREAS, Investments in publicly traded foreign companies
4 that have business operations in or with foreign states such as Iran
5 are liable for sanctions under United States law and risk the
6 pensions of the dedicated employees of the University of California
7 who are members of the University of California Retirement
8 System, as well as the university's financial holdings generally;
9 and

10 WHEREAS, Divesting from companies with business activities
11 in foreign states, such as Iran, that sponsor terrorism and excluding
12 them from the investment portfolios of the University of California
13 will help protect the financial security of the University of
14 California from investment losses related to these business
15 activities and may improve the performance of the university's
16 investment portfolios; and

17 WHEREAS, It is unconscionable for the University of California
18 to invest in foreign companies with business activities that benefit
19 foreign states, such as Iran, that commit egregious violations of
20 human rights and sponsor terrorism; now, therefore, be it

21 *Resolved by the Assembly of the State of California, the Senate*
22 *thereof concurring*, That the Legislature hereby calls upon the
23 University of California to divest from foreign companies with
24 business activities in the Islamic Republic of Iran.

25 *Resolved*, That the Chief Clerk of the Assembly transmit copies
26 of this resolution to the author for appropriate distribution.